

VZCZCXRO1120
RR RUEHAG RUEHBC RUEHDE RUEHKUK RUEHROV
DE RUEHDM #0194 0600638
ZNY CCCCC ZZH
R 010638Z MAR 07
FM AMEMBASSY DAMASCUS
TO RUEHC/SECSTATE WASHDC 3038
INFO RUEHEE/ARAB LEAGUE COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHAK/AMEMBASSY ANKARA 4937
RUCPDO/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC

C O N F I D E N T I A L DAMASCUS 000194

SIPDIS

SIPDIS

E.O. 12958: DECL: 02/19/2017
TAGS: [ECON](#) [EFTA](#) [ETRD](#) [PREL](#) [SY](#)
SUBJECT: SYRIA CONTINUES WTO ACCESSION EFFORTS

REF: A. DAMASCUS 0017
[1](#)B. 05 DAMASCUS 5327

Classified By: CDA Michael Corbin, for reasons 1.4 b/d

[1](#)1. (U) Summary. The SARG is agitating to advance its 2001 application to join the WTO. So far, the SARG's new effort on behalf of its stalled WTO application seems to have much more to do with its effort to break out of its political isolation than it does with any new commitment to economic liberalization. End Summary.

[1](#)2. (U) Since the summer of 2006, the SARG has held workshops, some supported by UNDP, as well as conferences, to raise the profile of the SARG's desire to join the WTO. In late 2006, the SARG established a body it called "The Administration for the World Trade Organization and Trade Reform. In early 2007, Syria joined a WTO lobbying group of some 40 countries which includes Brazil, South Africa, Turkey, China, India and Pakistan. The SARG's basic argument, on behalf of its WTO application, was captured in a February 5 editorial in "al-Ba,ath", a regime mouthpiece, by journalist Ghassan al-Saleh, who wrote that Syria is being &immorally8 blocked by the U.S. from WTO membership.

[1](#)3. (C) Still, local UNDP contacts tell us it is far too early to discuss a formal initiating memo for Syria which would launch the WTO process. The SARG must first build capacity, conduct a comprehensive review of its trade policies, and formulate a plan for liberalizing them, they say. One UNDP contact involved in the negotiation training commented to us that most of the people the SARG sent for UNDP-sponsored training don't speak English and are not at the appropriate policy level to represent the SARG during the actual negotiation process.

[1](#)4. (C) A local economic and political analyst (and Ba,ath Party reformer), Ayman Abdel Nour, commented to us in early February that for the SARG, the negotiations themselves are the desired goal. Even if negotiations were to start, WTO accession is unlikely any time in the near future because of the lack of SARG preparedness for negotiations, but the SARG could point to the on-going negotiations as evidence of Syria,s re-emergence on the global stage, he said. As with the recent Free Trade Agreement signed with Turkey, and the on-going EU association agreement discussions, the benefits are entirely political, he added. Nour also said that the new WTO Directorate sounds impressive, but is staffed only by one official and a secretary. The goal for this office is capacity-building and preparation for &corporatization8 of public sector entities; &privatization8 would never sell here, he said.

[1](#)5. (C) Comment. Although Syria may arguably be interested in using its renewed effort at WTO accession to highlight

further its efforts at economic reform, it is more likely an attempt to create additional evidence that Syria is succeeding in breaking out of its international isolation. While WTO accession is a long way off, the SARG's latest moves allow President Asad to claim progress on both the economic and political fronts. However, WTO requirements regarding financial market transparency, allowance of foreign ownership of companies, and repatriation of profits must all be addressed if the SARG's effort to advance its application is to be taken seriously.

CORBIN